

Remarks

This application has been carefully reviewed in light of the Office Action mailed October 3, 2007. At the time of the Office Action, claims 1-41 were pending in this application, of which, claims 14-34 and 40 were withdrawn pursuant to a Restriction Requirement entered 9/17/2007 and claims 1-13, 35-39, and 41 were rejected. Applicants have amended claims 1-3, 6-13, 35, 39, and 41. No new matter has been introduced by these amendments. Reconsideration of the above-identified application in view of the following remarks is respectfully requested. Applicants do not admit that these amendments were necessary as a result of any cited art or Examiner objection.

Claim Rejections - 35 USC §112

The Examiner rejected claims 1 and 9-11 as being indefinite. Applicants traverse these rejections. In order to expedite prosecution, however, Applicants have amended these claims as follows.

As per claim 1, the Examiner stated that the phrase "legal title price" is indefinite because the meaning of the phrase is unclear. Applicants have amended the claim to add the limitation "the legal title price being an amount of money paid for a present possessory interest in the vehicle." Applicants respectfully request the Examiner to withdraw the rejection and allow claim 1.

As per claim 9, the Examiner stated that the phrase "legal title term" is indefinite because the meaning of the phrase is unclear. Applicants have amended this claim so that the limitation as originally claimed is no longer recited. Therefore, the rejection is moot. Applicants respectfully request the Examiner to withdraw the rejection and allow claim 9.

As per claim 10, the Examiner stated that the phrase "about equal to" is indefinite because it does not clearly set forth the limitations of the claim. Applicants have amended this claim so that the limitation as originally claimed is no longer recited. Therefore, the rejection

is moot. Applicants respectfully request the Examiner to withdraw the rejection and allow claim 10.

As per claim 11, the Examiner stated that the phrase "in the range of about one year to about six years" is indefinite because it does not clearly set forth the limitations of the claim. Applicants have amended this claim so that "about" is no longer recited in the claim. Applicants respectfully request the Examiner to withdraw the rejection and allow claim 11.

Claim Rejections - 35 USC §103

The Examiner rejected claims 1-5, 9, 11, 12, and 35-39 as being unpatentable over Sabella, Publication No. US 2003/0110108 (*Sabella*) in view of Graff, Patent No. US 6,167,384 (*Graff*). Applicants traverse this rejection because neither *Sabella* nor *Graff*, either alone or in combination, teach or suggest the pending claims as amended. Reconsideration of the claims is respectfully requested for the following reasons:

Sabella fails to teach or suggest the limitations of pending claim 1, which recites, in part, "receiving a future interest in a vehicle by a vehicle financing company ... the vehicle financing company providing financing to the vehicle consumer for the legal title price of the vehicle." At best, *Sabella* discloses a primary investor obtaining a loan from a lender in order to satisfy his or her obligation to the seller for his or her fractional interest of the property and a secondary investor obtaining the remainder interest in the property. Additionally, there are three parties to the transaction of the prior art: (1) a primary investor, (2) a secondary investor and (3) a lender. The lender, furthermore, may receive the secondary investor's interest in the property, but only if the secondary investor chooses to subordinate his interest to that of the lender's. (*Sabella*, paragraph 0039). The present claim is distinct from *Sabella* such that the vehicle financing company receives the remainder interest in a vehicle. Furthermore, there are only two parties in the transaction of the present claim: (1) a vehicle consumer and (2) a vehicle financing company. Finally, the vehicle financing company is a party to the transaction by requirement and not due to reasons such as default by the primary investor as in the prior art. (*Sabella*, paragraph 0039).

Graff does not make up for the deficiencies in *Sabella*. Specifically, *Graff* fails to teach or suggest a vehicle financing company receiving the remainder interest in a vehicle and, further, fails to even teach a vehicle consumer receiving a present possessory interest in a vehicle. At best, *Graff* teaches fractionalizing interests in real estate and securities in order to command a higher price for the interests separately than as a whole. Furthermore, the lender in *Graff* owns the present possessory interest for the term of the estate for years while the purchaser (i.e., the real estate investor) receives the future interest. (*Graff*, column 3, lines 35 - 49). The relationship between the vehicle consumer and the vehicle financing company, as recited in the present claim, is not provided by *Graff*.

For at least these reasons, neither *Sabella* nor *Graff*, either alone or in combination, teach or suggest the limitations of pending claim 1. Applicants respectfully request the Examiner to withdraw the rejection of and allow claim 1 (and dependent claims 2-13).

The pending dependent claims 2-13 can be further distinguished from the prior art. For example, dependent claim 2 recites "determining a present/future interest ratio representing the ratio of the legal title price to the future interest price." Furthermore, pending dependent claim 9 recites, "wherein the present/future interest ratio is based on ... a consumer-trade-in of an existing vehicle, a residual value of the vehicle, or dealer promotions." *Sabella* and *Graff*, either alone or in combination, fail to teach these claims. *Sabella*, at best, teaches determining the total amount received by the seller solely through the market value of the property. (*Sabella*, paragraph 0033). *Graff* teaches, at best, the valuation of individual fractionalized parts of real estate property. (*Graff*, column 3, lines 35-39). Nowhere, in either *Sabella* nor *Graff*, is it taught or suggested that a present/future interest ratio is determined to represent the value of the legal title price to the future interest price. For at least these reasons, *Sabella* and *Graff*, either alone or in combination, fail to teach the limitations of these claims. Applicants respectfully request the Examiner to withdraw the rejection of and allow claims 2 and 9.

As to pending dependent claim 3, it recites "receiving ... the legal title term and unrestricted legal title price ... and transferring the future interest to the vehicle consumer so that

the vehicle consumer receives the future interest and unrestricted legal title in the vehicle." Neither *Sabella* nor *Graff*, either alone or in combination, teach the limitation of the pending claim. At best, *Sabella* teaches an option to the primary investor to acquire the secondary investor's residual interest and transferring the future interest held by a secondary investor to the primary investor. (*Sabella*, paragraph 0031). *Sabella* fails to teach the lender as a required party to receive an interest in the property (see arguments with respect to claim 1 above) and, further, the lender transferring their interest to the primary investor. (see *Sabella*, paragraph 0039). *Graff* fails to make up for this deficiency in *Sabella*. At best, *Graff* teaches a purchaser already holding a future interest in real estate property and owning the property outright only after the term of the estate for years held by the lender has expired. (*Graff*, column 3, lines 65-67). As stated above, in the present claim it is the vehicle consumer who owns the present interest and the vehicle financing company who owns the future interest. Furthermore, the prior art does not show the lender transferring their interest to the purchaser; the purchaser's full ownership is a function of the purchaser's interest vesting. For at least these reasons, *Sabella* and *Graff*, either alone or in combination, fail to teach or suggest the limitations of this claim. Applicants respectfully request the Examiner to withdraw the rejection of and allow claim 3.

Pending independent claim 35 recites, in part "receiving a future interest in a personal property by a financing company ... the financing company providing financing to the consumer for the legal title price of the personal property." *Sabella* nor *Graff*, either alone or in combination, teach or suggest the limitations of the pending claim for at least the reasons set forth above with respect to claim 1. Applicants respectfully request the Examiner to withdraw the rejection of and allow claim 35 (and dependent claims 36-39).

As to claims 37 and 38, the Examiner has failed to provide a *prima facie* showing of obviousness of the pending claims. MPEP 2106.01 states that "USPTO personnel should inquire whether there should be a rejection under 35 U.S.C. 102 or 103." It further states, "USPTO personnel must consider all claim limitations when determining patentability of any invention over the prior art." The Examiner has failed to do as required by only rejecting the claims as nonfunctional descriptive material without any analysis under 103. Reconsideration of the pending claims is respectfully requested.

Examiner's Official Notice Rejections

The Examiner rejected claims 10, 13, and 41 as being unpatentable over *Sabella*, *Graff*, and in further view of Official Notice. Applicants traverse these rejections. In order to expedite prosecution, however, Applicants have amended these claims. Reconsideration of the claims is respectfully requested.

As to pending dependent claim 10, Applicants have amended the claim such that the claim no longer recites "wherein the legal title term is about equal to the vesting period." Therefore, the rejection is moot in light of this amendment. Applicants respectfully request the Examiner to withdraw the rejection of, and allow, claim 10.

As to pending dependent claim 13, Applicants have amended claim 13 to depend from claim 1. Therefore, Applicants respectfully request the Examiner to withdraw the rejection of, and allow, claim 13.

As to pending independent claim 41, it recites, in part "receiving a future interest in a vehicle by a vehicle financing company ... the vehicle financing company providing financing to the vehicle consumer for the legal title price of the vehicle." *Sabella* and *Graff*, either alone or in combination, fail to teach this limitation for the reasons stated above with respect to claim 1. Therefore, Applicants respectfully request the Examiner to withdraw the rejection of, and allow, claim 41.

For at least these reasons, Applicants respectfully request the Examiner to withdraw the rejection of and allow claims 10, 13, and 41.

Applicants do not acquiesce in the Examiner's characterizations of the art. For brevity and to advance prosecution, Applicants may not have addressed all characterizations of the art and reserve the right to do so in further prosecution of this or a subsequent application. The absence of an explicit response by Applicants to any of the Examiner's positions does not constitute a concession to the Examiner's positions. The fact that Applicants' comments have

focused on particular arguments does not constitute a concession that there are not other arguments for patentability of the claims. Applicants submit that all of the dependent claims are patentable for at least the reasons given with respect to the claims on which they depend.

CONCLUSION

For the foregoing reasons, Applicants believe that the Office Action of October 3, 2007 has been fully responded to. Consequently, in view of the above amendments and remarks, Applicants respectfully submit that the application is in condition for allowance, which allowance is respectfully requested.

Respectfully submitted,

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